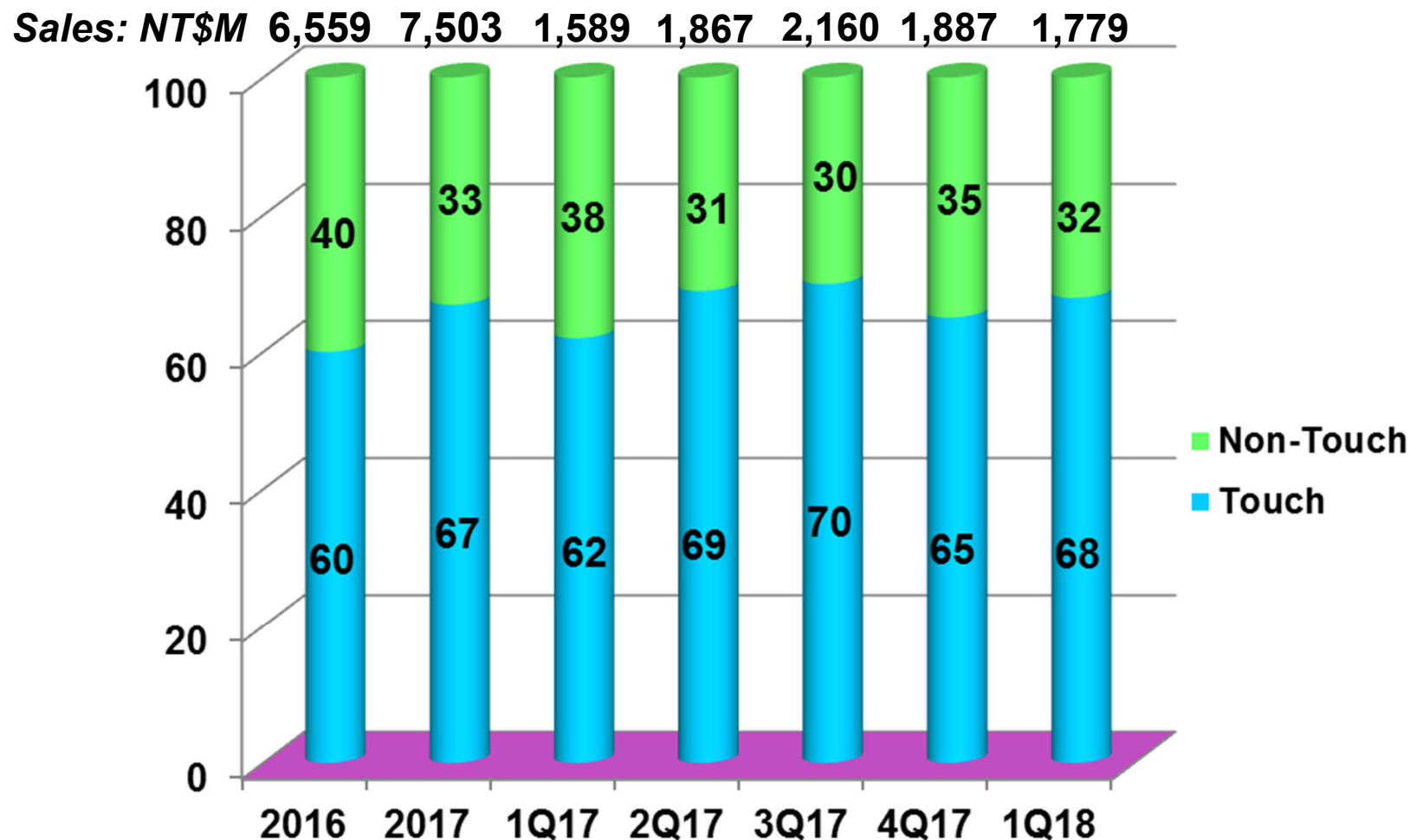


ELAN Microelectronics Corp.

1Q18 Investor Conference

2018/5/2

Sales Breakdown by Product Line (Consolidated)



- *Touch: Touchscreen Controller, Touchpad, Biometric*
- *Non-Touch: MCU, Pointing Stick, Affiliated Co. Products*

1Q18 Income Statement

YoY Comparison (Consolidated)

	1Q18	%	1Q17	%	YoY(%)
Sales	1,779	100.0	1,589	100.0	12.0
Gross profit	790	44.4	697	43.9	13.3
Sales expense	72	4.0	66	4.2	
G&A expense	78	4.4	73	4.6	
R&D expense	352	19.8	331	20.8	
Operating profit	288	16.2	227	14.3	26.9
Non-operating income & exp.	40	3.0	(68)	(4.3)	
Profit before tax	328	19.0	159	10.0	106.3
Net profit	259	14.6	125	7.9	107.2
Belong					
Parent company	264		140		
Non-Controlling Interests	(6)		(15)		
* EPS (NT\$)	0.63		0.34		85.3

* Based on the current 434 million shares (Unreviewed)

* Based on the weighted average number of shares outstanding

1Q18 Income Statement

QoQ Comparison (Consolidated)

	1Q18	%	4Q17	%	NT\$M QoQ(%)
Sales	1,779	100.0	1,887	100.0	(5.7)
Gross profit	790	44.4	824	43.7	(4.1)
Sales expense	72	4.0	80	4.2	
G&A expense	78	4.4	71	3.8	
R&D expense	352	19.8	351	18.6	
Operating profit	288	16.2	322	17.1	(10.6)
Non-operating income & exp.	40	3.0	(44)	(2.3)	
Profit before tax	328	19.0	278	14.7	18.0
Net profit	259	14.6	236	12.5	9.7
Belong					
Parent company	264		241		
Non-Controlling Interests	(6)		(5)		
* EPS (NT\$)	0.63		0.58		8.6

* Based on the current 434 million shares (Unreviewed)

* Based on the weighted average number of shares outstanding

Balance Sheets

Mar. 31, 2018 (Consolidated)

	NT\$M
Current assets	8,029
Cash and cash equivalents	1,932
Current financial assets	750
A/R&A/N	1,320
Inventory	1,100
Other current assets	68
Other current financial assets	2,859
Non-current financial assets	1,305
Fixed assets	594
Other non-current assets	303
Total Assets	10,231
Current liabilities	2,243
Non-current liabilities	402
Total Liabilities	2,645
Capital stock	4,341
Capital surplus	536
Retained earnings	2,704
Other equity interest	135
Treasury stock	(91)
Non-controlling interests	(39)
Total Stockholders' Equity	7,586

(Unreviewed)

Cash Flow Statement

Mar. 31, 2018(Consolidated)

	NT\$M
Income before tax	328
Dep & Amort.	24
Dec.(Inc.) of A/R & N/R	66
Dec.(Inc.) of inventory	43
Inc.(Dec.) of A/P & N/P	(161)
Others	(12)
Operating cashflow	288
Inc.F/A	(25)
Dec.(Inc.)Time deposit with maturity over three-month	(320)
Acquisition of intangible assets	(7)
Others	2
Investment cashflow	(350)
Inc.(Dec.) in short-term loans payable	10
Financing cashflow	10
Change in cash	(52)
Beg. Cash	1,984
End Cash	1,932

(Unreviewed)

2Q18 Guidance

Based on Current Assumptions of Future Prospects, ELAN Expects:

- Consolidate Revenue to be Approximately between NT\$ 2 Billion and NT\$ 2.1 Billion***
- Gross Margin to be about 43.6% to 45.2%***
- Operating Income Rate to be about 17% to 20%***

ELAN Always Leading Microsoft Certification

Hardware certification

Hardware certification

Create HCK submission

Create WLK submission

Create UEFI submission

Manage submissions

Test-sign

App certification

Bug management

Device metadata

Driver distribution

Reports

Remote debugging

Administration

Manage product submission #1503699

Summary and tasks

Submission info

Submission details

View important information about your submission, create updates, and download critical files. [Learn more](#)

Status

Status: Approved

Progress: Completed

Current step:

Next step:

Submission details

Submission ID: 1503699

Created date: 6/29/2012

Category: Device

Company: ELAN Microelectronics Corporation

Contact name: Lesley Chao

Billing group: ELAN Microelectronics Corporation

Qualifications achieved

Certified for Microsoft Windows 8 Client family, x64

Touch

View

Manage

Download

Certification verification report

Resold submissions

Certification artwork pack

Certification style guide

WW #1 Pass Windows 8

Windows hardware certification report: Approved

Submission ID:	1726290
Submission date:	5/20/2015
Hardware certification completion date:	5/20/2015
Company:	ELAN Microelectronics Corporation
Product name:	15.6" - Dione_Cando - EKTH3915S - Toshiba
Category:	Device
Product type:	Touch
Qualification level:	Certified for Microsoft Windows 10 Client family versions 1506 and 1511, x64
Marketing names:	N/A

WW #1 Pass Windows 10

The image shows the Windows logo on the left, which consists of four colored panes (red, green, blue, yellow) arranged in a square. To the right of the logo, the text "Windows hardware certification report: Approved" is displayed in a black, sans-serif font. Below this text, the word "Demo" is written in a large, teal, italicized font and is underlined with a teal horizontal line.

WW #1 Pass Win 10 MPP1.5/1.51

Sat 4/28/2018 2:11 AM

CL Christian Lamp
Confirmation of Elan MPP 2.0 Compliance

To Joe.Yeh

Dear Elan,

Demo

We are happy to inform you that after reviewing the results you submitted from the Microsoft Tilt Addendum and Digiinfo that your 6xxx series Touch Controller is fully MPP 2.0 Compliant. We look forward to seeing products with the 6xxx series controller in the Windows Ecosystem delivering great user experiences such as reduced latency with the 266hz report rate, tilt, and 4096 pressure levels.

Thanks
Christian

WW #1 Pass Win 10 MPP2.0

Pen on Touchscreen Era is Coming !

The Always Connected PC

Windows on Qualcomm 835 with 20 hour Battery Life

HP Envy X2



12.3" WUXGA+ with Corning GG4

Lenovo Miix 630



12.3" WUXGA+



ASUS NovaGo



13.3" FHD LTPS

ELAN Smart-Touchscreen™ Inside!

Pen on Touchscreen Era is Coming !

Windows Ink Badging



2017 ELAN Shipping Record
Pen on Touchscreen Penetration More Than 50%

The New Apple 9.7-inch iPad



Apple Pencil \$99



Logitech Crayon \$49

The new 9.7-inch

iPad



NOW SUPPORTS APPLE PENCIL

iPad with Pencil Support Trend

12.9-in. iPad Pro



From \$799

10.5-in. iPad Pro



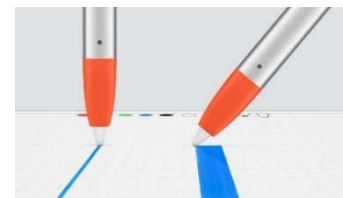
From \$649

iPad

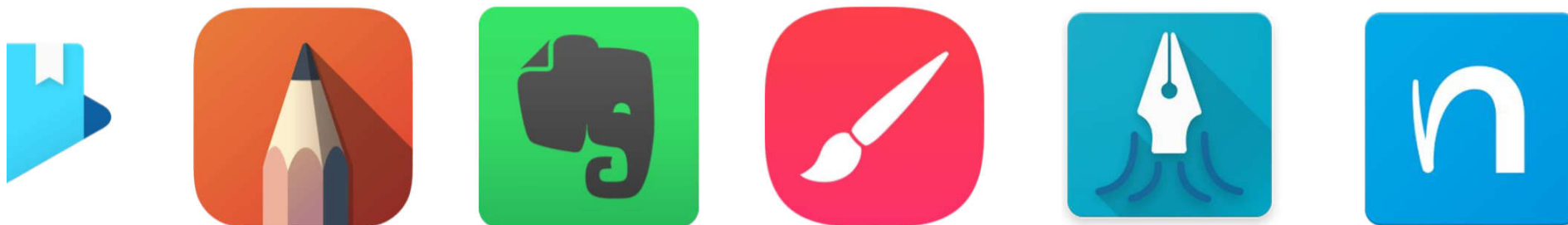


From \$329

(\$299 for EDU)



More Inking Integrations with Chrome OS



Chrome OS ecosystem is evolving and adding more innovative inking features.

- Support for Web Apps and Android Apps
- Low Latency API (10ms)
- Lockscreen Notes
- Google Assistant

The World 1st Chromebook Tablet is Here!



**Acer Chromebook Tab 10 has a 9.7" 2048 x 1536 Display for 329 USD
With ELAN Smart-Touchscreen™ Inside!**

Reference: <https://www.theverge.com/circuitbreaker/2018/3/26/17157444/acer-chromebook-tab-10-first-chrome-os-tablet-announced>

Tablet PC Brand Shipments and Sales Targets

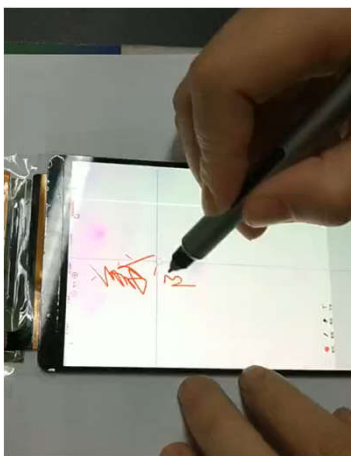
Unit: Millions

Brand Shipments	2016 (Actual)	2017 (Forecast)	2018 (Forecast)	2017 Y/Y (Forecast)	2018 Y/Y (Forecast)
Apple	42.4	46.9	47.0	10.7%	0.2%
Samsung	28.8	25.4	25.0	-11.8%	-1.6%
Huawei	9.7	13.0	16.5	33.4%	26.9%
Amazon	11.8	12.4	15.0	5.0%	21.0%
Lenovo Group	11.7	10.6	8.0	-9.1%	-24.5%
Microsoft	4.1	3.7	4.0	-10.8%	8.1%
RCA	5.5	6.0	7.0	9.0%	16.7%
Asus	4.1	3.2	3.0	-21.4%	-6.3%
Acer	2.8	1.6	1.5	-43.0%	-6.3%
Others	67.8	52.4	39.5	-22.8%	-24.6%
WW Market	188.8	175.2	166.5	-7.2%	-4.9%

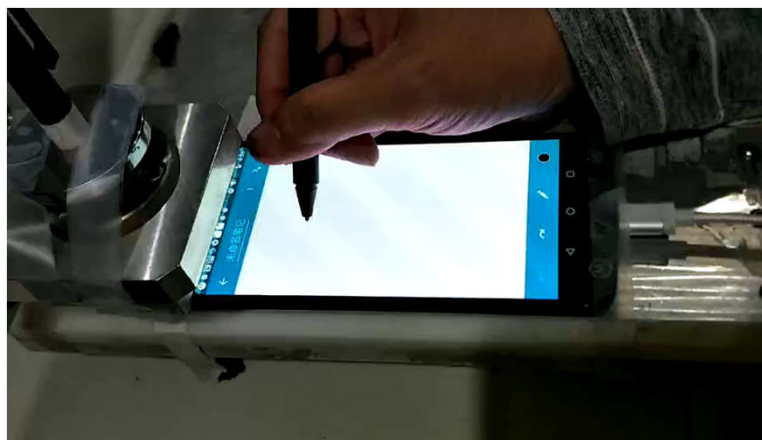
Source: IHS

AMOLED w/ ELAN Smart-Touchscreen™ Inside

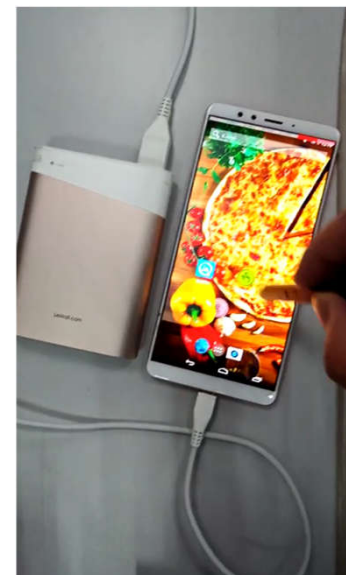
A company
5.89" Rigid AMOLED



B company
6.01" Rigid AMOLED



C company
6.01" Rigid AMOLED



Q & A

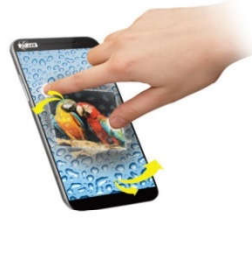
Smart-Touchscreen™ Controller



AES & MPP Pens



OLED with Stylus



TDDI Solution

Smart-Touchpad™



Smart-Face ID™



Animoji Unlocking

Smart-ID™ Fingerprint Sensor



Smart-Pointstick™



AI Enabled Smart Transportation



AI Enabled Smart Lighting & Surveillance



AI Enabled Smart Store

